BRITISH COLUMBIA

BC STATS

Ministry of Management Services

Infoline

Contact: bcstats.infoline@gems6.gov.bc.ca Issue: 03-51 December 19, 2003

- **Net migration to BC from the rest of Canada positive for the first time in six years**
- **Annual inflation rate remains at 1.6%**
- **Shipments plunge 3.7% in October**

Population

- **British Columbia saw a net inflow of 2,614 residents from other provinces in the third quarter, the first time in six years that the province has gained people as a result of net inter-provincial migration.** Ontario (+1,644), Alberta (+707) and Manitoba (+444) were the biggest donor provinces. BC gained population from every region of the country except Quebec (-317). The province also saw a **net** inflow of 5,992 international immigrants. BC, Alberta (+3,122), Quebec (+921) and Newfoundland (+213) were the only regions to see a significant net inflow of interprovincial migrants. Ontario (-4,095) was a big loser, as was Manitoba (-1,402). *Data Source: BC Stats*

- **Total immigrant landings in BC during the third quarter of 2003 were 9,155 persons.** While the number of landings decreased slightly from the second quarter of this year, it was considerably higher than the 7,986 persons landed in the same quarter of last year. However, BC's share of total Canadian immigrants dropped to 14.5%. Asia (7,098) remains by far the most important source of immigrants. *Data Source: BC Stats*

- **British Columbia's population stood at 4,158,649 on October 1st, up 0.8% from the same month last year.** Alberta (+1.2%) and Ontario (+1.1%) continued to lead the provinces in terms of population growth. BC's increase was the same as the national average (+0.8%). *Data Source: Statistics Canada*

Prices

- **British Columbia's inflation rate, as measured by the year-over-year change in the all-items Consumer Price Index (CPI), was unchanged at 1.6% in November.** Energy costs, which had exerted inflationary pressure earlier in the year, rose a modest 0.4%. Prices for other goods and services were up 1.7%.

  Food prices remained substantially higher than they were a year ago (+2.1%). Coffee and tea prices continued to climb (+10.3%), and consumers paid more for meat, dairy, and processed food products. Shelter costs rose 1.6% over the November 2002 level as homeowners paid an average 9.3% more for property insurance, and natural gas costs were substantially higher than a year earlier (+16.0%). Consumers also faced higher prices for recreation, education and reading materials (+4.2%, mainly due to the effect of tuition fees) and alcoholic beverages and tobacco (+3.9%, reflecting the effect of tobacco tax hikes). Victoria's inflation rate was 1.6% in November, while consumers in Vancouver saw prices rise 1.4%.

  The Canadian inflation rate also held steady at 1.6% in November. Among the provinces, Manitoba and New Brunswick had the lowest inflation rates (both at 0.6%), while Ontario (1.7%), Alberta (1.6%) and BC (1.6%) saw the biggest price increases in the country. *Data Source: Statistics Canada*

The Economy

- **Shipments of goods manufactured in the province fell sharply (-3.7%, seasonally adjusted) as all three of the biggest industries, and many of the smaller ones, in the sector posted declines.** Producers of paper (-12.0%), wood (-5.8%) and food (-0.8%) products all saw their shipments drop. Among mid-size industries, chemicals (+4.0%), transportation equipment (+3.8%) and machinery (+3.2%) were the only ones to see an increase in the value of shipments. Overall, shipments of non-durable goods were down 4.1%, while producers of durables saw shipments slip 3.5%. Canadian shipments were also weak (-1.1%). Alberta

Did you know...

If Santa weren't magical, he'd need dozens of winged reindeer just to get his sleigh off the ground. A 670 pound reindeer such as Rudolph would need a wingspan longer than a bus (with a surface area of at least 96 square feet) to lift himself off the ground-and that's not accounting for the weight of a sleigh full of presents, plus the jolly old elf. What does Santa feed those deer?

(+1.9%) and Saskatchewan (+0.8%) were the only provinces where shipments increased in October. *Data Source: Statistics Canada*

Household Spending

- **The average household in British Columbia spent $60,600 on goods and services in 2002.** Shelter costs ($12,380) accounted for the biggest share of household spending, followed by personal taxes ($10,950). Food ($6,770) and clothing ($2,320) took a smaller bite out of the household budget. Nationally spending averaged $60,090 per household, with households in Alberta ($67,730) and Ontario ($67,540) reporting the biggest expenditures. *Data Source: Statistics Canada*

Culture and The Arts

- **Film producers headquartered in British Columbia saw production revenues fall 28.9% from 1999 to 2001, more than in any other province or region.** Revenues in 2001 totalled $207 million, compared to $291 million two years earlier. Several mid-sized production companies in BC went out of business during this period, contributing to the decline in revenue. Ontario (+26.4%) and Quebec (+4.9%) were the only regions to boost their revenues between 1999 and 2001. Nationally total revenues reached $2.59 billion in 2001, up 10.5% from the previous year. Profits were squeezed as expenses grew at a faster pace (+12.8%), to $2.55 billion. *Data Source: Statistics Canada*

Police Expenditure and Personnel

- **As of June 15, 2003, British Columbia had 7,106 police officers.** Nationally, there were 59,494 police officers, 2% more than in 2002. About 16% (9,352) of police officers were female, double the number a decade earlier. British Columbia, where one in five officers is female, had the highest proportion of female officers in the country.

Canada ranked 24th among 29 developed countries in 2000 in terms of police officers per capita, tied with Japan and New Zealand. The 2003 rate in BC was 171 officers per 100,000 population. Newfoundland (148), PEI (158) and Alberta (159) had the lowest officer to population ratios, while Saskatchewan (201) and the three territories (from 389 to 412) had the highest ratios. The national average was 188.

Data Source: SC, The Daily

The Nation

- **Between 1997 and 2002, farmers, loggers, wholesalers, retailers and professional service industries outpaced other industries in terms of productivity gains.** Labour productivity in the crop and animal production sector grew at an annual average rate of 5.8%, nearly three times the all-industry average (2.3%). The increase occurred as the agriculture industry became more capital intensive. Wholesalers saw productivity rise an average 4.5% per year, while annual productivity growth in the forestry and logging industry averaged 4.1%. Oil and gas extraction (4.1%) and mining (4.0%) also posted strong gains in productivity over this period. Labour productivity in the manufacturing sector increased at an annual rate of 2.8%, with the strongest gains seen in the wood (7.1%) and chemical (6.6%) industries.

Data Source: Statistics Canada

The next issue of highlights will be released January 9, 2004.

Merry Christmas and Happy New Year from all of us at BC STATS!

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Infoline Report

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Contact: Dan Schrier, (250) 387-0376
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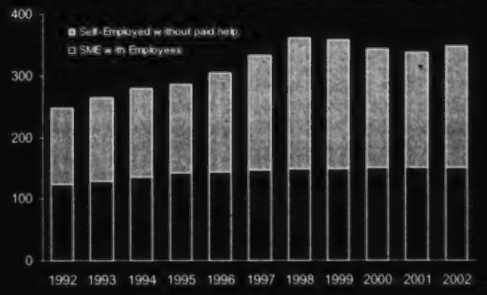
Profile of Small Business in British Columbia, 2002[1]

Number of Small Businesses

An overwhelming majority of businesses in British Columbia either employ fewer than 50 people or are operated by a person who is self-employed with no paid help. Establishments with these characteristics are classified as small businesses and they make up almost 98 percent of all businesses in the province. Most of these (56% of all businesses) are self-employed individuals.

After three consecutive years where the number of small businesses in the province declined, there was a net increase of 10,700 small businesses in 2002 bringing the total number of small businesses in BC to 347,900. Most of the growth was due to a rebound in the number of self-employed without paid help (+5.6%), the same group that was responsible for the earlier three years of decline.

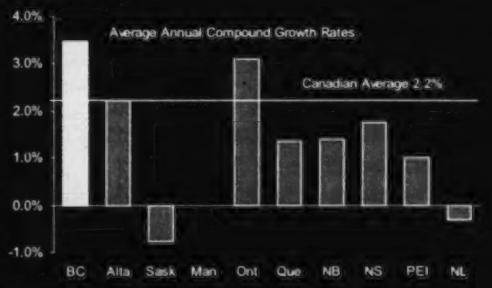
After 3 straight years of decline, the number of small businesses in BC increased in 2002



Source: Statistics Canada

Despite three straight years where the number of small businesses fell, British Columbia was the leader in small business growth over the last decade in Canada. From 1992 to 2002, the number of small businesses across the country increased at an average annual rate of 2.2%, while BC averaged 3.5% growth in net new small businesses per year. The only other province to experience growth greater than the national rate was Ontario, with an average annual increase of 3.1%. The number of small businesses in Alberta grew at exactly the Canadian average of 2.2%.

BC is the leader in small business growth, 1992-2002



Source: Statistics Canada

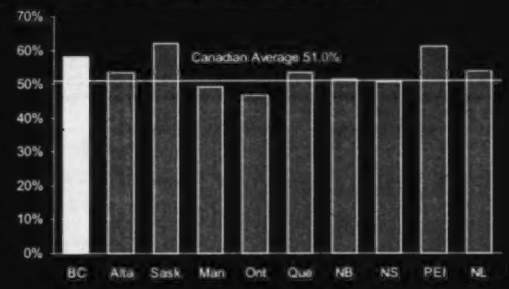
Employment

Small businesses in BC provided 952,900 jobs in 2002, representing 47% of total employment in the province and 58% of private sector employment. British Columbia has the third highest proportion of private sector employment derived from small business in the country, well above the national average of 51%. Saskatchewan (62%) and Prince Edward Island (61%) were

[1] This article is a summary of a larger publication entitled "Small Business Profile 2003."

the only provinces with a greater reliance on small business employment. At 47%, Ontario had the least dependence on small business for private sector employment. The variation may be related to the different economic structures of the provinces. For example, Saskatchewan and Prince Edward Island have significant agricultural sectors and these farming operations are often small businesses with fewer than 50 employees.

BC ranks third in small business as a percent of private sector employment, 2002



Sources: Statistics Canada, BC Stats

Self-Employment

People who spend most of their working hours operating their own businesses are classified as "self-employed." In 2002, there were 372,100 self-employed people in British Columbia, not including 2,900 who worked in family businesses without pay. British Columbia has led the country in self-employment growth over the last decade, with an average annual compound rate of growth of 3.3% from 1992 to 2002. Ontario (+2.7%), Nova Scotia (+2.5%) and Alberta (+2.1%) were the only other provinces to exceed the national rate of 2.0%.

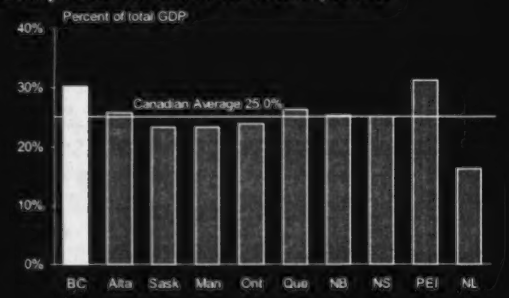
Across Canada, at over 36%, British Columbia had the second highest proportion of women owning small businesses. Only New Brunswick, with 38%, had a higher ratio. At 29%, Manitoba has the lowest share of women owning small businesses.

While small business owners are predominantly between the ages of 35 and 55, there are significant proportions of both younger and older small business owners. About one-fifth (20%) of all entrepreneurs are under 35 and workers 55 and over account for 22% of all entrepreneurs.

Economic Contribution

In 2002, British Columbia's small businesses accounted for 30% of GDP, ranking the province second only to Prince Edward Island (31%) and well above the Canadian average of 25%. Newfoundland and Labrador, with only 16% of GDP derived from small businesses, ranked last among the provinces.

BC has the second highest proportion of GDP comprised of small business, 2002



Source: BC Stats

Clearly, small business plays a crucial role in the economy of British Columbia, not only in terms of its contribution to economic output, but also by providing an abundance of jobs for British Columbians. As the provincial economy continues to diversify, the importance of small business will grow.

Infoline

December 19, 2003

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also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Oct 1/03	% change on one year ago
BC	4,158.6	0.8
Canada	31,714.6	0.8
GDP and INCOME		
(BC - at market prices)	2002	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	135,552	2.7
GDP *($ 1997 millions)*	128,151	2.4
GDP *($ 1997 per Capita)*	31,143	1.5
Personal Disposable Income *($ 1997 per Capita)*	19,576	0.1
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Oct	2,770	-3.7
Merchandise Exports - Oct	2,367	-4.4
Retail Sales - Sep	3,395	-2.2
CONSUMER PRICE INDEX		12-month avg
(all items - 1992=100)	Nov '03	% change
BC	120.8	2.3
Canada	122.7	2.9
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Nov '03	prev. month
Labour Force - BC	2,217	-0.2
Employed - BC	2,048	0.0
Unemployed - BC	169	-2.6
		Oct '03
Unemployment Rate - BC *(percent)*	7.6	7.8
Unemployment Rate - Canada *(percent)*	7.5	7.6
INTEREST RATES (percent)	Dec 17/03	Dec 18/02
Prime Business Rate	4.50	4.50
Conventional Mortgages - 1 year	4.75	4.90
- 5 year	6.45	6.70
US/CANADA EXCHANGE RATE	Dec 17/03	Dec 18/02
(avg. noon spot rate) Cdn $	1.3251	1.5537
US $ *(reciprocal of the closing rate)*	0.7544	0.6442
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Nov '03	one year ago
BC	682.88	0.7
Canada	667.89	2.1

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

2001 Census Profiles

Look for them in our store by Christmas . . .

2003 Index

Next week's transmission, on or before December 24, will be a single page **Index of 2003 Infoline Reports**. Regular issues will resume on January 9, 2004.

Season's Greetings

Released this week by BC STATS

- Business Indicators, December 2003

Next week

- Small Business Quarterly, 3rd Quarter 2003
- Migration Highlights, 3rd Quarter 2003
- Immigration Highlights, 3rd Quarter 2003
- Consume Price Index, November 2003
- Current Statistics, December 2003

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